

Statement from Quarz Capital

Quarz Capital has reached an amicable resolution with ESR on HC/OC 492/2023, without any admission of liability on the part of either party (see our Statement below).

With the resolution achieved, Quarz will now be fully focused on supporting Sabana unitholders, the Sabana Growth Internalisation Committee (SGIC), and HSBC Institutional Trust Services (Singapore) Limited to ensure that Internalisation can be completed as expeditiously as possible, so that all unitholders can start benefitting from the potential dividend per unit (DPU) and unit price growth as soon as possible.

In particular, we urge all Sabana unitholders to vote for all the resolutions at the requisitioned Sabana REIT EGM to provide clear directions to the Trustee to ensure it can successfully execute on Internalisation with as few obstacles as possible.

We are fully focused on increasing shareholder value and corporate governance; we thank Sabana unitholders for their support and look forward to working with all unitholders to successfully effect Internalisation and increase value at Sabana REIT!

Sincerely,

Quarz Capital

STATEMENT

This Statement is issued on behalf of Quarz Capital Asia (Singapore) Pte Ltd, Quarz Capital Management Ltd, Mr Jan Frederic Moermann, Mr Havard Chi Cher Pan and Mr Klaus Wille.

1. On 31 July 2023, ESR Group Limited and E-Shang Infinity Cayman Limited (collectively, the “**Claimants**”) commenced legal proceedings in the High Court of Singapore in HC/OC 492/2023 (the “**Suit**”) against Quarz Capital Asia (Singapore) Pte Ltd, Quarz Capital Management Ltd, Mr Jan Frederic Moermann, Mr Havard Chi Cher Pan and Mr Klaus Wille (the “**Defendants**”).
2. In OA 492, the Claimants alleged that the Defendants are liable to them for defamation, malicious falsehoods and/or conspiracy relating to statements published in or around 7 June 2023 to 26 July 2023 (collectively, the “**Publications**”). The statements were published in the context of a requisition for an extraordinary general meeting of unitholders of the Sabana Industrial Real Estate Investment Trust (“**Sabana REIT**”) to vote for the internalisation of Sabana REIT. A list of the Publications is set out in the Schedule.
3. The Defendants confirm that the statements in the Publications were not intended to defame, or publish falsehoods relating to the Claimants. As stated in their public letter dated 19 July 2023, the Defendants’ statement that the removal of the external Sabana Manager will result in “*cost savings to Sabana REIT of about ~S\$7.25m of fees*” was incorrect, and an error. The Defendants also clarify that their statements about “*scare tactics*” being used against unitholders of Sabana REIT were not references to the Claimants. The Defendants reiterate that their statements about a potential conflict of interest should not be understood to mean that the Claimants had intended to act or were acting in actual or potential conflict of interest. The Defendants harbour no malice against the Claimants, and as a gesture of goodwill, will take down all Publications from sources within their reasonable control.
4. Without any admission of liability whatsoever, the Defendants will not make the above allegations against the Claimants.
5. In light of the foregoing, the parties wish to inform all unitholders that they have now reached a resolution of the Suit without any admission of liability.

Quarz Capital Asia (Singapore) Pte Ltd

Quarz Capital Management Ltd

Jan Frederic Moermann

Havard Chi

Klaus Wille

Schedule

The Publications are as follows:

- a. A letter issued on or around 7 June 2023 by Quarz Capital Asia (Singapore) Pte Ltd ("**Quarz Asia**") to the board of directors of the Sabana Manager giving notice to the Sabana Manager to convene an extraordinary general meeting ("**EGM**") to pass resolutions which called for, *inter alia*, the Sabana Manager to be removed as Manager of Sabana REIT, and for the Sabana Trustee to effect the internalisation of the REIT Management function (i.e. the Requisition). The Requisition was published on SGX's website and also on Quarz Capital Management Ltd's ("**Quarz Management**") website at <https://www.savesabanareit.com/open-letters>;
- b. A set of slides published by the Quarz Asia on or around 7 June 2023 titled "Increase Sabana REIT's DPU, Unit Price and Corporate Governance through: VOTE FOR the Removal of The Current Manager VOTE FOR the Setup of An Internal Manager". The slides were published on SGX's website and also on Quarz Management's website at <https://www.savesabanareit.com/open-letters>;
- c. A commentary published by Quarz Asia on its website at <https://www.quarzcapiatal.com/news/a-fresh-start-for-sabana-reit-replace-the-current-reit-manager-with-a-newly-set-up-internal-manager/> on or around 8 June 2023 titled "A Fresh start for Sabana REIT – Replace the current REIT Manager with a newly set up internal manager";
- d. A YouTube video posted on or around 13 June 2020 by Quarz Asia and/or Quarz Management on their YouTube channel titled "Internalization of Sabana REIT Manager, Upside Potential of 30%";
- e. A microsite at <https://www.savesabanareit.com/so/82OZectau?languageTag=en> created by Quarz Management on or around 23 June 2023;
- f. An open letter published by Quarz Asia on or around 28 June 2023 titled "UNITHOLDERS ISSUE OPEN LETTER AND DEMAND SABANA REIT MANAGER (SGX: M1GU) AND ESR GROUP (HKG: 1821) TO TABLE THE 2 STANDALONE ORDINARY RESOLUTIONS WITHOUT AMENDMENTS AT THE EGM";
- g. A post published by Quarz Management on or around 29 June 2023 titled "If you can't win the game, change the rules?" on the website at: <https://www.savesabanareit.com/so/d1Oa5rW5a?languageTag=en>;
- h. A post published by Quarz Management on or around 29 June 2023 titled "Sabana EGM: 'If you can't win the game, change the rules?'" on the website at: <https://savesabanareit.com/>;
- i. A post published by Quarz Management on or around 20 July 2023 titled "Court dismisses injunction to block Sabana Reit EGM" via the email newsletter at "info@savesabanareit.com" and website "www.savesabanareit.com";
- j. A post published by Quarz Asia and Quarz Management on or around 26 July 2023 titled "VOTE FOR Resolutions 1&2 to build a better and stronger Sabana with higher DPU, unit price and corporate governance!" on the website at: "<https://www.savesabanareit.com/so/1aOchMYrm?languageTag=en>";
- k. Republications:
 - (i) On 12 June 2023, Mr Klaus Wille ("**Mr Wille**") published a post titled "*Internalization of the Sabana Reit Manager: A New Chapter for Singapore Reits*" on his page on a social media platform known as LinkedIn ("**LinkedIn**").
 - (ii) On 16 June 2023, Mr Wille published a post titled "*30% Upside Potential for Sabana Through Internalization of the REIT Manager*" (the "**16 June LinkedIn Post**") on his page on LinkedIn.
 - (iii) Mr Jan Frederic Moermann shared the 16 June LinkedIn Post on his own LinkedIn page.